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# PRE-APPEAL BRIEF REQUEST FOR REVIEW

Docket Number (Optional)

037925.0004

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on August 11, 2008

Signature Rachelle Gruenberg

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Application Number

10/630,531

Filed

7/30/2003

First Named Inventor

Morris, Daniel

Art Unit

3629

Examiner

Meyers, Matthew

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).

Note: No more than five (5) pages may be provided.

I am the

☐ applicant/inventor.

☐ assignee of record of the entire interest.  
See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed.  
(Form PTO/SB/85)

☒ attorney or agent of record. 38,076  
Registration number

☐ attorney or agent acting under 37 CFR 1.34.

Registration number if acting under 37 CFR 1.34

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August 11, 2008

Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below.

☒ Total of 1 forms are submitted.

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**PRE-APPEAL BRIEF REMARKS**

Applicant submits that the final Office Action issued on February 11, 2008 by the Examiner in the present application contains clear errors in the Examiner's rejections as well as omissions of one or more essential elements needed for a *prima facie* rejection.

The Examiner has rejected claims 1-16 and 24-28 under 35 USC 103(a) as being unpatentable over two non-patent references to the Mortgage Electronic Registration System (MERS and MERS II) and U.S. Patent Application Publication No. 2002/0107703 to Feinberg et al. (hereinafter "Feinberg"). "MERS" refers to the article, "For Mortgages—MERS emerges," Bankers Research February 1997. "MERS II" refers to the article, "MERS aids electronic mortgage market," Mortgage Banking, January 1997.

Specifically, the Examiner has cited page 1 of MERS for the claim 1 element, "providing, by an input device, transaction information associated with at least one lien to a computer system for assisting with loan settlements, said information including at least a settlement date and a lender identification associated with at least one property loan". The Examiner cited the following passage of MERS on page 3 of the Office Action:

MERS will authorize its members to act as its agent for filing of title and mortgage deeds. Then participating mortgage lenders will make mortgages in the name of MERS, rather than their own names. With the registration in MERS' name, transfers of servicing or ownership to other MERS members can be made by filing electronically with MERS.

Further, the Examiner has cited page 1 of MERS for the claim 1 element, "determining, by the system, that the at least one lien has not been released and is due for release". The Examiner cited the following passage of MERS on page 3 of the Office Action:

One additional benefit will be important to present owners and new borrowers. There are today many properties on which the mortgages have been paid off but in which no one will file to release the lien. A common case is when the mortgage was made by a savings & loan that was taken over by the Resolution Trust Company. The original lender no longer exists, and the RTC often won't file the paper, contending it

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has no authority to do so. With MERS mortgages, MERS will be able to file the release.

Further, on pages 3-4 of the Office Action, the Examiner has cited page 5 of MERS II for the claim 1 element, "requesting, by the input device, tracking of a release of said at least one lien by said system to determine whether the at least one lien has been released according to a trigger date determined based on the settlement date". Against this element, the Examiner cited the following from page 5 of MERS II:

A method and system for automating the preparation, recordation, tracking and filing of liens, assignments, and other legal documents relating to securing payment of a debt or other obligation or transfer of ownership of an asset.

On page 4 of the Office Action, the Examiner cited Feinberg for the claim 1 element, "sending, by the system, a signal to the input device indicating that the at least one lien has not been released and is due for release". The Examiner cited paragraphs 0017 and 0016 of Feinberg as follows:

The client transmits an e-mail message to the data processing server via the Internet giving notice that the client has received proper payment for a given patient's services...The release is prepared according to guidelines from each jurisdiction previously stored on the database.

Even with regard to the preamble "[A] computer system for ordering the tracking of a lien release", the Examiner cited the following passage from page 1 of MERS on page 2 of the Office Action:

MERS mission in life is to eliminate all but the first registration and the release. All intermediate changes of ownership or servicing will be electronic, registered with MERS, and none will have to be filed unless the buyer or transferee is not a member of MERS.

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This rejection of claim 1 is deficient on its face in that all the Examiner has done is repeat verbatim the claimed elements/steps and refer to sections of the prior art references without providing an explanation of how the prior art reads on the claims. There has been no attempt on the Examiner's part to equate or particularly point out specific language in the prior art and apply it to the claimed elements/steps.

With regard to the citation of MERS against the first cited element of claim 1 above, there is absolutely nothing whatsoever in this cited portion of MERS that discloses or relates to providing a critical date. There is further nothing in MERS that even remotely reads on the second step/element of determining that a lien has not been released and is due for release. With regard to the citation of MERS II against the next cited element of claim 1 above, there is nothing in the MERS II citation pertaining to requesting the tracking of a lien release OR determining whether a lien has been released according to a trigger date determined based on the settlement date. With regard to the Feinberg citation, there is nothing in the citation related to a lien that has not been released but is due for release. With respect to the preamble, there is nothing related to ordering the tracking of a lien release.

Applicant's invention is disclosed in the specification of the present application, and Applicant has provided comments regarding Applicant's invention in the past. See, for example, pages 7-9 of Applicant's response dated November 6, 2007. Applicant has also provided information as to the Mortgage Electronic Registration System (MERS) in Applicant's information disclosure statement dated June 3, 2008 (see, e.g., Section IV on pages 12-15 of Missouri Law Review article cited therein). Such information supports Applicant's position that the application of MERS is clearly erroneous in the present application. MERS has nothing to do with tracking whether liens have been released, ordering the tracking of lien releases, and/or determining whether a lien is due for release upon satisfaction of the underlying note.

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In addition to the above, Applicant takes note that, in its co-pending application serial no. 10/630,532, the Examiner had previously applied MERS as prior art against a claim element ("identifying at least one lien where a note underlying the at least one lien has been satisfied, and identifying whether the at least one lien...is due for release") which is similar to claim elements in the present application. However, in a subsequent Office Action in the '532 application issued on July 17, 2008, the Examiner removed the application of MERS from this claim element. Thus, the Examiner now appears to agree that MERS is not applicable to such claim language.

The above discussion highlights MERS' most significant omissions with respect to the present invention. The complete lack of disclosure with respect to anything other than recording lien ownership effectively negates MERS's usefulness as a reference against the present invention. The Examiner's actions in co-pending application no. 10/630,532 acknowledge this.

Thus, it has been shown that contrary to the requirements of 35 USC 103(a), MERS does not teach or disclose many of the recited clauses contained in claim 1 of the present invention. The other independent claims contain similar or exact recitations for the steps and/or elements as those in claim 1. The analysis pertaining to claim 1 applies equally to the other independent claims to the extent the language in the respective claims is similar.

One additional element in claim 10 recites "an alert mechanism for receiving an electronic signal and notifying at least one entity in the event a release for said at least one lien has not occurred and is one of due or overdue based on statutory requirements associated with said identified lender". Against this element, the Examiner has cited page 1 of MERS on pages 8-9 of the Office Action as follows:

One additional benefit will be important to present owners and new borrowers. There are today many properties on which the mortgages have been paid off but in which no one will file to release the lien. A common case is when the mortgage was made by a savings & loan that was taken over by the Resolution Trust Company. The original lender no longer exists, and the RTC often won't file the paper, contending it

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has no authority to do so. With MERS mortgages, MERS will be able to file the release.

The Examiner also cited page 5 of MERS II against this element as follows:

He notes that all parties will more easily be able to track loans to ensure that contractual obligations are being met.

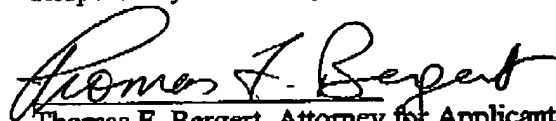
These cited portions are inapplicable. With regard to the citation of MERS II in this instance, the MERS II citation refers to *contractual* obligations and not *statutory* obligations. Real property loan agreements will not include an obligation on the part of the lender to release a lien within a period of time after the underlying note is paid – this is a *statutory* requirement. Hence, the MERS II citation only confirms MERS' role and lack of relevance to the invention as presently claimed. Similar citations against elements of claim 24 are similarly inapplicable.

In addition to the above with regard to the independent claims, the dependent claims would be allowable if the base independent claims were allowed.

It is Applicant's belief that the Examiner has mischaracterized and misapplied the teachings of MERS, MERS II and Feinberg as they pertain to the claims of the present invention for the reasons set forth above. Reconsideration and withdrawal of rejected claims 1-16 and 24-28 based on MERS is requested.

Respectfully submitted,

Date: Aug. 11, 2008



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